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Standing Firm for a Smaller Government & Lower Taxes

As details of the balanced budget agreement unfold, the specifics of what ***is left out*** of the resolution are as important as ***what's in*** the resolution. House and Senate Budget negotiators stood firm for a smaller government, refusing the White House's request to "protect" spending levels for the following discretionary spending (partial list):

- ◆ The "Global Learning and Observation Program" (GLOBE)
- ◆ Legal Services Corporation
- ◆ National Endowment for the Arts
- ◆ National Endowment for the Humanities
- ◆ AmeriCorps
- ◆ Advanced Technology Program
- ◆ Goals 2000
- ◆ Full funding for the National Labor Relations Board
- ◆ The "Ounce of Prevention" Council
- ◆ Family Planning
- ◆ Community Development Grants
- ◆ Full Funding for the Occupational Safety and Health Administration
- ◆ Information Highways/National Information Infrastructure Grants
- ◆ Energy Supply, Research & Development Activities

The White House also sought to tie the hands of the committees writing welfare, tax, and Medicare & Medicaid policies. Budget negotiators rejected these White House demands:

- ◆ Increased welfare spending for legal immigrants entering the country after the signing of last year's landmark welfare reform bill
- ◆ Ban on indexing capital gains and estate taxes, as well as a ban on allowing losses on sales of residences

- ◆ Commitment that Medicare reforms not include allowing seniors to have access to Medical Savings Accounts and other types of health plans
- ◆ Caps and limits on the size of the capital gains and estate tax relief
- ◆ Pre-approval of ***all additional tax proposals*** not specifically listed in the agreement.

The budget negotiators fought for, and won, commitments on the following common-sense conservative priorities: a 10-year tax relief total of \$250 billion (well above the \$205 billion sought by the White House), flexibility for governors in providing Medicaid to their poorest residents, and higher defense spending (see the House Budget Committee's *Balanced Budget Agreement of 1997, Summary of Major Assumptions* 5/15/97, for additional details).